

Service Date: June 7, 1999

DEPARTMENT OF PUBLIC SERVICE REGULATION
BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MONTANA

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IN THE MATTER OF)	UTILITY DIVISION
U S WEST Communications, Inc.'s)	
Application for Approval of Tariff Transmittal)	DOCKET NO. N99.4.84
No. 99-20, "Modifications to Digital Switched)	ORDER NO. 6173
Services (DSS), Uniform Access Solutions)	
(UAS), and Primary Rate Service (PRS) Tariff")	

FINAL ORDER

Introduction

1. On April 1, 1999, U S WEST Communications, Inc. (U S West) filed Tariff Transmittal 99-20, "Modifications to Digital Switched Services (DSS), Uniform Access Solutions (UAS), and Primary Rate Service (PRS) Tariff." U S West proposes several modifications to these tariffs, including adding an In Only Network Connection option for UAS service, and allowing UAS and ISDN to be priced on an individual case basis when the system includes more than ten network connections. Rate stability plans are introduced for all UAS Network Connections including the new option. The tariff also modifies current rate stability plans (RSP) to include discounts off the non-recurring rates in the amounts of 50% for three-year contracts and 100% for five-year contracts for purchase of DSS, UAS, and PRS services. MPSC staff sent discovery regarding this filing to U S West on April 22, 1999 and discovery responses were received on May 18, 1999. This item was noticed on the April 12, 1999 agenda. There was no response to the notice.

Findings of Fact and Discussion

2. In this tariff transmittal, U S West proposes to price UAS and ISDN systems with more than ten network connections on an individual case basis. In previous dockets, the Commission has allowed various services to be priced on an individual case basis when system requirements and costs vary due to the configuration of the system. Prior to approval of set rates

in Docket No. D96.7.121¹, ISDN rates were set this way, and more recently, the commission approved tariffs that allow Centrex Prime to be priced on an individual case basis (Docket No. N98.12.284).² In both of these cases, however, the Commission required U S West to file each new contract for approval prior to the contract going into effect. Requiring approval for each new contract allows the PSC to be aware of the rates and discounts that are being offered, and assures that these contracts are not offered in a discriminatory manner

3. According to U S West, the cost floor for these services is TSLRIC, and no subsidy is created by pricing these systems on an individual case basis.³ U S West states that there are no specific pricing guidelines associated with these services, and that rates will be set based in part on volume and contract length.⁴

4. Due to the individualized nature of UAS and ISDN systems with more than ten network connections, it may be appropriate to price these systems on an individual case basis, as proposed by U S West. However, in order to ensure fair treatment of both customers and resellers, it is important that the Commission remain aware of the rates at which these services are being sold and the associated discounts offered for long-term contracts.

5. The MPSC approves the tariff modifications in this filing, including the pricing of UAS and ISDN systems with more than ten network connections, with the requirement that U S West file each Centrex Prime contract for approval before the contract can go into effect. These filings should include all provisions of the contract, including an explanation of any discounts therein.

Conclusions of Law

1. U S West is a public utility subject to the regulatory jurisdiction of the Montana Public Service Commission. Section 69-3-101(f), MCA.

2. The tariff transmittal at issue in this Docket is subject to the approval of the Montana Public Service Commission. Sections 69-3-807(1), 69-3-301 and 69-3-302, MCA.

¹ In the Matter of the Application of U S WEST Communications, Inc. to Offer Single Line ISDN Service and Integrated Services Digital Network Primary Rate Service, Final Order No. 5940e, October 22, 1998.

² In the Matter of U S WEST Communication, Inc.'s Application for Approval of Tariff Transmittal No. 98-53, Introduction of Centrex Prime, Final Order No. 6146, February 22, 1999.

³ See Response to PSC-001 (e).

⁴ See Response to PSC-002 (a).

Order

U S West's Tariff Transmittal No. 99-20 is approved subject to the requirement described at paragraph 5 of this Order.

DONE AND DATED this 2nd day of June, 1999, by a vote of 5-0.

BY ORDER OF THE MONTANA PUBLIC SERVICE COMMISSION

DAVE FISHER, Chairman

NANCY MCCAFFREE, Vice Chair

BOB ANDERSON, Commissioner

GARY FELAND, Commissioner

BOB ROWE, Commissioner

ATTEST:

Kathlene M. Anderson
Commission Secretary

(SEAL)

NOTE: Any interested party may request the Commission to reconsider this decision. A motion to reconsider must be filed within ten (10) days. See ARM 38.2.4806.